

**JOINT COMMENTS OF PALMETTO UTILITIES, INC.  
AND PALMETTO WASTEWATER RECLAMATION LLC**

Palmetto Utilities, Inc. and Palmetto Wastewater Reclamation LLC (“Companies”) submit the following comments in response to Commission Order No. 2020-372 in Docket No. 2020-106-A:

**BACKGROUND COMMENTS**

In response to the State of Emergency declared in South Carolina for COVID-19, the Companies took the following actions:

- Closed the office lobby to customers from March 18<sup>th</sup> through May 26<sup>th</sup> to minimize the spread of COVID-19. An overnight payment box has been installed at the office to allow for drop-off payments. Notices were also posted outside of the door with information explaining how to access online payment, how to utilize the night depository box, and that payments would be posted on the next business day.
- Suspended all service disconnections as of March 16th so that customers had access to these essential sewer services.
- Restored residential customers whose services had previously been disconnected for non-payment.
- Suspended late fees and took measures to ensure customers’ accounts would not be negatively impacted from delays in the mail or in processing payments deposited in the overnight payment box.
- Offered payment arrangements as well as information on organizations available to assist customers experiencing financial hardship. This information and links were also posted to the Companies’ website listing different organizations available to assist customers.

In addition to these actions, the Companies monitored the guidance and directives from Centers for Disease Control and Prevention (“CDC”) and other government agencies and asked employees to follow the hygiene suggestions and travel notices released by the CDC. These protocols are still being observed. The Companies, including the customer service group, remained fully operational during the entire State of Emergency and service technicians were and continue to be available 24 hours a day seven days a week to respond to emergencies.

**COMMENTS SPECIFIC TO ORDER NO. NO. 2020-372**

With respect to modifications to utility practices or opportunities that could assist utilities and their customers counteract the impacts of COVID-19, the Companies offer the following comments:

- The Companies do not currently and have not previously charged online payment or credit card processing fees.
- The Companies suspended late fees from March 16th, 2020 to May 18th, 2020. The Companies could temporarily continue to suspend late fees but, believes the collective customer base is better served by the imposition of late fees that encourage customers to keep their accounts

current. Without late fees, the Companies' bad debt expenses will increase as well as the costs of administering these accounts.

- The Companies have not suspended returned check charges and do not believe it is feasible to suspend returned check charges. These fees are used to recoup the actual administrative costs and bank fees related to returned payments.
- The Companies do not currently report delinquencies to credit agencies.
- The Companies have posted on their website information about bill payment assistance, payment plans, and other options available to customers that are experiencing financial hardship. Customer service representatives are also prepared to provide this information to customers that are experiencing financial hardship.
- As the Companies began to work toward normalized operations, personnel started returning to working in the office on May 13<sup>th</sup>. In areas where space is limited, personnel are alternating working from home and the office to allow for social distancing. Masks, hand sanitizer and gloves have been made available to all personnel. Call volume has remained steady and the Companies expect it to increase as disconnections are resumed. Currently, the Companies do not expect any issues with responding to the increased call volume.
- The Companies have monitored customer accounts receivable and cash receipts since the beginning of March. The Companies have seen about a 9% decrease in cash receipts as of May 18<sup>th</sup>. On or about May 21<sup>st</sup>, the Companies began to send out 30-day notices to delinquent customers to begin the disconnection process. In reviewing the customer service / bill collection functions, the Companies believe it would be beneficial to customers as well as the utilities to:
  - Waive the requirement of S.C. Code Regs. 103-535.1 that a second certified mail notice (required if a customer has not paid after the first, 30-day certified mail notice is sent) be issued. Currently, the Companies are sending this second notice informing delinquent customers that their service will be terminated within 10 days. However, the regulation requires the termination to occur within 30 days following the end of the first 30-day notice period, leaving the Companies only 20 days within which to disconnect. Eliminating the second notice requirement would lower the notification fees delinquent customers are charged and would also decrease the customers' average balances and late fees because of the shortened disconnection cycle.
  - Add the customers' current outstanding balance, last payment date, and payment amount as information printed on the 30-day notice. The Companies frequently receive calls from customers with questions about these items.
  - If the second certified mail notice requirement is retained, waive the effective requirement of S.C. Code Regs. 103-535.1 that delinquent customers be disconnected within 20 days after the second certified mail notice is issued and allow the Companies 40 days to effect disconnection. This will allow for more disconnections to be completed during the disconnection period. Currently after the effective 20-day period to disconnect, if a customer is not disconnected the Companies are required to start the process all over again with another 30-day certified mail notice. This adds to the

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amount a customer would have to pay. Switching to 40 days would save the customer money and allow the utility to collect the bills due quicker.

- Allow the Companies to disconnect delinquent customers that have been notified of disconnection and make a payment that is returned for insufficient funds or credit prior to the end of the disconnection period.

Any actions taken by the Commission in this Docket, including those described herein, should be revenue neutral for utilities.